

St. Mary Rehabilitation Working Group Meeting

10:00 – 3:00 April 27, 2005

Cottonwood Inn – Glasgow Montana

Welcome and Introductions: Members Present: Lt. Governor John Bohlinger, Randy Reed, Jim Rector, Dolores Plumage; Mike Tatsey, Gary Anderson; John Lacey; Randy Perez; Kevin Salsbery, Kay Blatter (alternate for Max Maddox); Marko Manoukin; Michael DesRosier, Paul Tuss; Gary Schaub (alternate for Dave Peterson); Steve Page, Larry Mires (Executive Director). Absent: Mike Barthel

Information included in meeting handouts:

- April 25 memo from John Tubbs and associated budget information;
- Summary of state and local cost share, including expenditures to date and estimates from FY06 & 07;
- Summary of Montana Legislative fiscal '06 – '07 St. Mary appropriations;
- Executive Committee meeting notes from April 19.
- Diagram of proposed alternate canal route through southern Alberta.

Review Agenda

- Paul Tuss motioned to adopt meeting agenda, seconded by John Lacey, approved by consensus.

Review of February 23 and March 23 Meeting Notes

- Notes from February 23 meeting were approved as read.
- Notes from March 23 meeting were approved as read.

Review of DRAFT report from Strategic Planning Retreat

- Judy Edwards (Montana Consensus Council) led a review and discussion of her DRAFT report from the Working Group's strategic planning retreat that was held March 31 – April 1 in Lewistown.
- Outcome of retreat included
 - Revision of Working Group's focus of efforts.
 1. Find a "Workable" solution for rehabilitating the St. Mary Facilities before the system suffers catastrophic failure.
 2. Work with the Blackfeet Tribe to address environmental impacts associated with the operation of the St. Mary Facilities and provide workable enhancements and mutual benefits from a rehabilitated St. Mary Canal.
 3. Explore options for restoring Fresno Reservoir to its original capacity and reauthorization and funding opportunities to rehabilitate the Basin infrastructure.
 - Invite Glacier County Commissioner's to appoint a representative to the Working Group
 - Invite Ft Belknap Tribal Irrigators to appoint a representative as an Ex Officio member.
 - Develop a list of action items to be completed each month through November 2005.
- Jim Rector moved to accept Draft report from the Consensus Council, to increase the working group by one to include Michael DesRosier from Glacier County, and ask Mr. Horseman from the Ft Belknap Tribal Irrigators to serve as an Ex Officio member. Gary Anderson seconded Jim's motion. Larry Mires recommended the motion be restated to clarify that positions are being created for Glacier County and the Ft Belknap Tribal irrigator's, but does not specify the individual who will fill those positions. Jim accepted Larry's recommendation to amend the motion.
- Matt McCann expressed concern that as currently written, Focus of Effort #1 would preclude looking at other reasonable alternatives to find additional sources of water or alternate ways of delivering St. Mary River water to the Milk River basin. John Tubbs (DNRC Ex Officio member) did not feel that the current wording precluded looking at other reasonable alternatives. Matt said he felt comfortable with John's response.

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- Lt. Governor Bohlinger asked for approval of Jim Rector's motion as amended. Motion was approved by consensus of group members.

Review of Action Items from Strategic Planning Retreat

- 1) Executive Committee was tasked to prioritize funding and develop budget use of the \$900,000 Reclamation & Development Grant (RDGP) funds (these funds were authorized in HB7), and bridge expenses (these funds were authorized in HB6) by April 27 meeting.
 - John Tubbs reviewed expenditures for FY05, and proposed DRAFT budget for FY06 and FY07 (see attached summary). RDGP funds will be used to move the project forward until federal funds become available.
 - John reminded working group that a portion of the RDGP funds would be used to assist the Blackfeet move forward on their environmental concerns. This will allow the Blackfeet's environmental concerns (Sherburne down to the diversion dam) to keep pace with the Working Group's infrastructure concerns (diversion dam to last drop).
 - Marko Manoukian moved to defer draft budget to Executive Committee for finalization. Final budget will be brought before working group at May meeting for approval. Kay Blatter seconded the motion, which was passed by consensus.
- 2) Outreach Committee was tasked with developing a list of educational topics for each month's meeting agenda.
 - By May meeting, Outreach Committee will develop DRAFT 1-year education plan. Plan will identify topics, budget, and resource needs.
 - By May meeting, Outreach Committee will develop an outline for an action plan to provide ongoing information to basin residents and communities.
 - First presentation will be given at May meeting. Outreach Committee will identify a topic, line up a presenter, and make all arrangements for presentation.
 - Outreach Committee will update the working group each month on their progress.
 - There was discussion on the need to provide financial resources to Outreach Committee. Funds would be used to cover costs of conference calls, supplies, etc.
 - Paul Tuss moved to authorize Outreach Committee to expend working group funds to develop education plan over the next month. Jim Rector seconded Paul's motion, which then passed by consensus.
- 3) Finalize working group Brochure
 - Marko Manoukian developed a brochure from reports and information handed out at working group meetings
 - Marko was instructed to finalize brochure and print 1,000 color copies by May meeting. Suggestions for changes should be sent directly to Marko.
- 4) Move Financials out of DNRC to the Executive Director and Bear Paw Development.
 - Larry Mires and Paul Tuss are working on this. They will take preliminary budget information developed by John Tubbs and adapt it to Bear Paw's accounting format. They will have the format ready by the May meeting and the first report out will be in June.
- 5) Find a Way to Get the Meeting Notes Out Sooner.
 - There was agreement on importance of getting the meeting notes out in a timely manner. Group agreed that a summary of motions and actions should be sent out within two working days. Draft meeting notes should be sent out within 5 working days.
 - Delay in getting the notes out is attributed to lack of staff resources. It will take additional discussion by working group members to resolve this issue.

Updates and Progress Reports

- Paul Azevedo provided working group with additional information on an alternate diversion route through southern Alberta. John Lacey requested this information at the March 23 meeting in Havre.
 - Route would require upgrading, enlarging, and/or rehabilitating approximately 53 miles of canal and river channels. Feasibility of using this route will be examined as part of the engineering alternatives review process.
 - Mike Tatsey felt that the Blackfeet Tribe would not support a proposed route through Canada. Project would not provide any economic or environmental benefits to the Tribe if it moved to Canada. Blackfeet would end up right back where they are now; the water leaves the reservation and they do not receive any benefits.
 - Matt McCann asked if the Blackfeet would support this option if the Tribe's concerns could be addressed? Mike responded that short-term concerns include the loss of economic opportunities resulting from the fact that the project would not be built on reservation land. Long-term concerns include loss of enhancements to tribal environmental resources. Blackfeet support the project in part because of the economic opportunities that 10 years of construction will bring to the reservation.
 - Mike Tatsey said he had missed the executive committee call and asked if the committee had made any decisions on pursuing the Canadian route. Paul Azevedo responded that the executive committee was following through on an action item from the March meeting in Havre. The committee's only decision was to defer further discussion of the proposed route to the engineering alternatives review process.
- Larry Mires reported on National Water Resources Association Meeting in Washington, DC
 - Mike Tatsey, Randy Perez, Randy Reed, John Tubbs and Larry traveled to Washington, DC on April 11 – 13.
 - Trip provided working group members with an opportunity to meet with Senator Burns, Senator Baucus, and Congressman Rehberg. All pledged their full support to finding a long-term, workable solution to the problem.
 - Working group members also visited with Bureau of Reclamation Commissioner John Keys and Deputy Commissioner Mark Limbaugh. Interior now realizes that the state and working group are serious about finding a solution for rehabilitating St. Mary's. However, funding for the project will be very difficult to find.
 - In addition to meetings with BOR and Montana's Congressional delegation, working group representatives were able to schedule interviews with six professional lobby groups in Washington, DC. Due to the complexity of this project, it will be necessary to enlist the services of a firm in Washington, DC to assist in efforts of authorization and funding.
 - Randy Reed felt that it was critical to get the Milk River Project reauthorized as a multiuse project. This is the only way to justify the expense. However, agricultural will still be the number one use.
- John Tubbs reported out results of '05 state legislative session. State of Montana has appropriated \$1,986,526 to the project for FY06-07. The legislature also approved \$10 million in bonding authority for construction contingent upon the appropriation of federal construction dollars.
- Melody Haines, Office of Senator Baucus
 - She has heard very positive reports of working group's visit with Congressional Delegation.
 - Senator Baucus has submitted the working group's appropriation request. Committee should start work on it in June/July.
 - It is important that the working group work closely with their Congressional Delegation offices. This is going to truly be a joint effort.
- Mike Waite, Office of Rep. Rehberg
 - Markup of House Energy and Water Subcommittee is set for May 12.
- Paul Tuss gave a budget update.

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- April income = \$8,500 (donations), expenses = \$7,259.66. Balance = \$94,300.22
- Still waiting for a few more invoices related to DC trip.
- Randy Reed reported on Executive Committee meeting of April 19, 2005. Meeting summary was handed out to working group members.
- Paul Azevedo reported on intergovernmental conference call between DNRC, Reclamation, Blackfeet Tribe, and Tribes of Ft. Belknap.
 - Reclamation reiterated need to pursue both authorization and appropriations at the same time. Reclamation needs authority to pass any money to the state.
 - Existing Use Allocation is still undergoing internal review by Reclamation.
 - Reclamation, Blackfeet, and DNRC agreed to set up a videoconference for Friday, April 22 to start talking about the NEPA compliance process.
- Paul Azevedo summarized status of discussions with county commissioners regarding their participation on the working group.
 - Hill, Blaine, Phillips, and Valley counties have all written letters saying they are comfortable with how their interests are being represented. Michael DesRosier is representing Glacier County. Matt McCann sought clarification on the origin of the original request that counties submit a letter stating who their representative was. Paul A. and Dolores both agreed that original request for a letter came from Blaine County.

Continue with Review of Action Items from Strategic Planning Retreat

- 1) Develop fund raising plan.
 - Working group needs to raise approximately \$100,000 annually from local sources until the project is complete. Any funds remaining from the previous year will be held for contingencies.
 - Randy Reed stressed that it was critical to continue raising local funds from the project. It shows the federal government that the basin is serious about addressing the issue and is not looking for a bailout.
 - Larry recommended that working group members start making contact with those entities that contributed last year.
 - Funding Committee will develop fund raising plan for basin communities and residents. Plan will include fund raising goal, fund raising message, fund raising materials. Gary Anderson was named Chairman.
- 2) Request the state to begin a series of actions to advance the coordination of needed studies
 - DNRC's engineering services contract with TD&H is still in effect. Next step is to request TD&H to develop a scope of work (SOW) and proposed budget to complete Phase 2 studies. Phase 2 work would include, but is not limited to:
 - National Environmental Policy Act (NEPA) compliance studies (includes cultural and historic resources)
 - Economic study (local and regional economic importance of project)
 - Preferred alternative study
 - Work with Blackfeet to review status of studies addressing the Blackfeet's environmental concerns between Sherburne Dam and the St. Mary Diversion Dam.
 - Lenny Duberstein (USBR) suggested that DNRC, Blackfeet, Fish & Wildlife Service, and Reclamation put together a technical team to scope out the resources needs for each study task. He felt there was ample opportunity to economize on resources by working together.
 - DNRC was instructed to request TD&H to submit a proposed statement of work (SOW) for engineering studies, NEPA compliance, economic studies, and review of Blackfeet studies.
- 3) Discussion on need to hire a lobby firm to promote the project in Washington, DC

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- While in Washington, DC, Larry Mires and other working group members met with several lobby firms who are interested in representing the working group. All firms were highly qualified, and already knew about the project.
- Working group can expect to pay between \$7,500/month to \$20,000/month for lobby services. In DC, you get what you pay for.
- Larry, Randy P., Randy R., Mike T., and John T. rated each firm and developed recommendation on which ones should be asked to submit a proposal for their services. They felt the following three firms were the most qualified.
 - Gallatin Group – Firm has a northwest regional focus. John Etchart is the firm's Montana representative.
 - Ferguson Group – Broad experience working with the Bureau of Reclamation across the western US
 - Meyers and Associates – Focus has been more on southwestern US (Texas and New Mexico). Very experienced in working with international boundary issues (US and Mexico).
- Larry spoke with representatives from Montana's Congressional Offices about each firm. Offices have worked with each of the firms, but will not recommend one over the others.
- John Lacey asked how current efforts to hire a lobbyist fit with discussion that took place at December 1, 2004 meeting in Havre. At that time, Kim Falcon (Senator Baucus) cautioned the group about spending money on a DC lobbyist. Working group already had the attention and support of the Congressional Delegation. A lobbyist was not going to get the working group more access than they already enjoy. Kim's thoughts mirrored comments in a letter Senator Burns had sent to working group via Randy Reed.
- Larry responded that he had spoken with Senator Burn's office about this and was told not to misinterpret the Senator's remarks. Working group does not need to hire someone to lobby Montana's Congressional offices. They need to have a representative in DC who can watch out and speak for the group's interests. Someone who can work with all the different DC interests (Reclamation, other congressional offices, etc.) who will be involved with moving this project through Congress. John Tubbs added that the lobbyist would essentially be acting as staff to Montana's Congressional Offices for the working group's representation. Congressional staffers just do not have the time to draft the letters, set up the meetings, and attend to all the details of moving legislation through Congress.
- Kay Blatter requested that the working group consider sending a request to Alan Mikkelsen. Mr. Mikkelsen has represented other Montana interests in DC and used to be Chief of Staff for Rep. Rehberg. Gary Anderson, and Dolores Plumage have spoken with Mr. Mikkelsen and he is interested in representing the group. Dolores mentioned that Confederated Salish and Kootenia Tribes had worked with Mr. Mikkelsen and he came highly recommended.
- Matt McCann motioned to have Larry Mires send an RFP (request for proposal) for DC representation services to Alan Mikkelsen, Gallatin Group, Ferguson Group LLC, and Meyers & Associates. Motion was seconded by Jim Rector, and passed by consensus.
- Larry requested that working group members provide him with input on the types of services they want from a lobby firm, i.e. what are the working group's expectations. Based on feedback, Larry will send out a request for proposal for scope of services and cost structure.

Other Items

- At the March strategic planning retreat, Jim Rector and Judy Edwards were given the task of reviewing the working group's Process Agreement for ambiguities. Jim asked working group members who have specific concerns with Process Agreement to contact him or Judy by email.
- Larry Mires handed out a draft job description for a full time executive director. His interim contract expires July 31, 2005 and the working group needs to start thinking about hiring a replacement.

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- John Tubbs handed out an article on the history of water rights in Montana titled “Ditches, Diversions, and District Courts”. Article appeared in the Spring issue of Montana Magazine.
- There was some discussion on role and authority of Executive Committee. Steve Page noted that almost every time the Executive Committee takes the initiative, their actions are questioned. He felt there was a need to clarify the committee’s authority. John Tubbs recommended that the Executive Committee determine the scope of authority they feel is needed to function, and report back to the larger group.
- There was some discussion on the value of hiring the MT Consensus Council to assist the working group in implementing the action items that arose from the strategic planning retreat. Suggestion was first raised by DNRC to the Executive Committee during their April 19 conference call. DNRC supports the idea and would try to provide some funding if the working group also supported the idea. During the Executive Committee meeting, Steve Page and Matt McCann both felt it was a good idea. They did not want to lose the momentum that came out of the retreat.
 - Cost of Consensus Council involvement would be dependent on the services provided. A full range of contracted services could include making all meeting arrangements, facilitate each meeting, and post-meeting follow-up (i.e. provide a meeting summary, follow-up on action items, work with different interest groups to resolve conflicts, etc.)
 - John Lacey was concerned that services offered by Consensus Council would overlap the efforts of the group’s Executive Director. Dolores Plumage wondered about the need to have a facilitator present for every meeting. She also wondered if the Consensus Council was the best way to fulfill the need to have the meeting notes sent out sooner. Matt McCann was concerned with spending working group funds without first examining the underlying need. Steve Page felt the working group did need the services of the Consensus Council at least until the strategic plan is finalized and working. He did not feel the Consensus Council was necessary for the duration of the project. Jim Rector, felt the group needed to do whatever it takes to implement the strategic plan. Jim said he was comfortable with having the Executive Committee determine the need and take the appropriate action.
 - Judy Edwards (Consensus Council) stated that the meeting logistics (meeting notes, etc.) is only a very small part of what they do. The most valuable service they could offer the group was working with all the different interests between the meetings. If issues can be resolved between the meetings, the meeting themselves will be more productive. A good meeting facilitator could also help the group work through issues that arise during meetings.
 - Randy Reed requested Judy to submit a proposal with a scope of work and budget.

Public Comment

- There was no public comment.

Review Motions

- Paul Tuss motioned to adopt meeting agenda, seconded by John Lacey, approved by consensus
- Approval of Feb 23 meeting notes
- Approval of March 23 meeting notes
- Accept Draft report on strategic planning retreat, add Glacier County to working group and add Ft. Belknap Tribal Irrigators as an Ex Officio member. Original motion made by Jim Rector, amended by Larry Mires, seconded by Gary Anderson, approved by consensus.
- Authorize Executive Committee to develop final DRAFT of budget to expend the \$900,000 in Reclamation Development Grant funds (HB7 funds). Motion made by Marko Manoukian, seconded by Kay Blatter, passed by consensus.
- Authorize Outreach committee to expend working group funds to develop education plan. Motion made by Paul Tuss, seconded by Jim Rector and was then passed by consensus.

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- Instruct Larry Mires to send an RFP (request for proposal) for DC representation services to Alan Mikkelsen, Gallatin Group, Ferguson Group LLC, and Meyers & Associates. Motion made by Matt McCann, seconded by Jim Rector, passed by consensus.

Review Action Items:

- DNRC will finalize and distribute meeting notes from 1/26, 2/23, and 3/23.
- DNRC will email a copy of April 19 Executive Committee meeting notes to working group members.
- Executive Committee will develop final DRAFT budget for Reclamation Development Grant funds (HB7 funds). Due: May meeting
- Outreach Committee will develop DRAFT 1-year education plan. Plan will identify topics, budget, and resource needs. Due: May meeting.
- Outreach Committee will develop an outline for an action plan to provide ongoing information to basin residents and communities - Due: May meeting.
- Outreach Committee will identify a topic, line up a presenter, and make all arrangements for presentation at May meeting. Due: May meeting.
- Outreach Committee will update the working group on each month's progress.
- DNRC will request TD&H to submit a proposed statement of work (SOW) for engineering studies, NEPA compliance, economic studies, and review of Blackfeet studies. Due: SOW for engineering studies - May meeting. SOW for remaining studies - June meeting.
- Funding Committee will develop fund raising plan for basin communities and residents. Plan will include fund raising goal, fund raising message, fund raising materials. Due: May meeting.
- Working group members will provide input to Larry Mires on the content of RFP for DC representation services. Due: ASAP
- Larry Mires will send an RFP (request for proposal) for DC representation services to Alan Mikkelsen, Gallatin Group, Ferguson Group, and Meyers and Associates. DUE: ASAP
- Larry Mires will work with Bear Paw Development and DNRC to transfer financials to Bear Paw from DNRC Due: format by May meeting, first budget by June meeting.
- Working group members will send suggested comments and edits on brochure to Marko Manoukian. Due: ASAP.
- Marko will finalize brochure and print 1,000 copies. Due: May meeting.
- Consensus Council will submit a proposal for contracted services to Executive Committee.
- DNRC will add Mike Anderson's (Hill County Commissioner) name to the Ex Officio list.
- Working group members will contact Jim Rector or Judy Edwards with any concerns or comments they have with the group's Process Agreement by May 25.

Location and Agenda Items for May 25 Meeting

- Next meeting will be held in Ft. Belknap on Wednesday, May 25, 2005 from 10:00 – 3:00.
- Agenda items
 - Adopt final Strategic Plan Report
 - All action items identified for May meeting in Strategic Planning Report
 - Review position description for new executive director
 - Technical group will develop a public scoping process for review and adoption by working group.
 - Revisit committee assignments.
 - Review RFP's for Washington DC representation and choose a firm.